GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Home Department - Attachment of immovable Properties in respect of Sri Sriram Srinivasa Rao, S/o Seetharamulu, Secretary/Manager & 9 other members of the Vetapalem Co-Operative Credit Society Limited, Vetapalem - Cr.No.167/2021 under sections 409, 420, read with section 34 of the Indian Penal Code, 1860 and sections 3 and 5 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Act No.17 of 1999) of Vetapalem Police Station, Prakasam District - Ad-interim Orders - Issued.

HOME (GENERAL.A) DEPARTMENT

G.O.Ms.No.**64** Dated: 11.05.2022.
Read the following.

1. G.O.Ms. No. 349, Home (General. B) Department, dated: 29-10-1999.
2. From the Collector & District Magistrate, Prakasam, Letter No. eOffice.C1/304169/2021, dated: 07-01-2022.

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ORDER:

Whereas, in the G.O. in reference first read above, to safeguard the interests of the depositors, Government have appointed all the District Collectors in the State, as the case may be as the "Competent Authority" under sub-section (1) of section 4 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999) to exercise control over the properties attached by the Government under sections 3 and 8 of the said Act;

2. And whereas, the letter in reference second read above, the Collector & District Magistrate, Prakasam District has reported that, the Vetapalem Co-Operative Credit Society Limited initially registered vide Ref. No. N.1123 in the name of Sree Vetapalem Co-Operative urban bank limited, Vetapalem on 01.08.1949 and stared its operations w.e.f. on 04.12.1949 in the operation area of vetapalem town. Later, it was changed into the Vetapalem Co-Operative Credit Society Limited on 16.08.1984 vide registration No.483/803. In the year 1986, Sri Sriram Venkateswarlu, the then president of the Vetapalem Co-Operative Credit Society Ltd., Vetapalem recruited Sri Sriram Srinivasa Rao as the Manager/Secretary to the said Society. Since then, he has been working as Manager/ Secretary. On 19.10.2009 Sri Chunduri Sudhakara Gupta was recruited as clerk and since then, he has been working to the said Society. On 19.07.2018, a General Body Election was held and (1) Sri Chilamkuri Anjaneyulu (2) Sri Valiveti Nageswara Rao (3) Sri Gutti Nageswara Rao (4) Sri Koduri Rajendra Prasad (5) Vallampatla Ramalinga Swamy (6) Sri Nune Mohana Krishna (7) Sri Pinjala Lokanadham (8) Sri Kolisetti Venkata Satyanarayana and (9) Sri Rayavarapu Srinivasa Rao were elected as Board of Directors. Among them, Sri Valiveti Nageswara Rao was elected as President and Vallampatla Ramalinga Swamy was elected as Vice-President of the Society.

3. And Whereas, the Collector & District Magistrate, Prakasam District has also reported that, Sriram Srinivasa Rao, Secretary/Manager, the President, Vice-President and Board of Directors of the Society gave wide publicity in Vetapalem and surrounding Villages the Vetapalem Co-Operative Credit Society Limited offering decent interest rates on the investment of depositors and collected huge amounts of cash i.e., Fixed Deposits, Saving Bank accounts, Recurring Deposits in all worth of Rs.22,63,24,322/-. The said Society has to pay an amount of Rs.22,71,56,948/- to the depositors towards maturity amount. However, this money was mis-appropriated by the accused A1 to A10 thereby cheating innocent depositors and failed to repay the maturity amount to the depositors, even after the date of maturity had passed. Thus, the accused A1 to A10 cheated the depositors and misappropriated huge amount of money for their wrongful gain.

4. And whereas, based on the complaints of victim depositor Sri Gutti Srinivasa Rao, S/o Basavalingam, R/o Vetapalem Village, initially the case in Cr.No. 167/2021, under sections 409,420 read with section 34 of the Indian Penal Code, 1860 registered

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at Vetapalem Police Station on 20.07.2021. The following persons are cited as accused in this case:

1. Sriram Srinivasa Rao S/o Seetharamulu, age 55 years, Vysya by caste, r/o near Library, Bandavari Street, Vetapalem Village & Mandal, Secretary/Manager, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

2. Valiveti Nageswara Rao s/o Veera Raghavulu, age 65 years, Vysya by caste, r/o Railway Station Road, Vetapalem Village & Mandal, President, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

3. Vallampatla Ramalinga Swamy S/o Bali Setti, age 66 years, Vysya by caste, r/o near Sivalayam, Amodagiripatnam, Vetapalem Mandal, Vice-President, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

4. Chilamkuri Anjaneya Gupta S/o Sriramulu, age 71 years, Vysya by caste, r/o Railway Station Road, Vetapalem Villae& Mandal, Director, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

5. Gutti Nageswara Rao, Director, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

6. Koduri Rajendra Prasad S/o Venkateswarlu, age 67 Years, Vysya by caste, r/o near Sivalayam, Amodagiripatnam, Vetapalem Mandal, Director, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

7. Nune Mohana Krishna S/o Nageswara Rao, age 65 years, Vysya by caste, r/o Market Centre, Vetapalem Village, Director, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

8. Kolisetty Venkata Satyanarayan S/o Subba Rao, age 62 Years, Vysya by Caste, West Bazaar, Anumallipeta Village, Vetapalem Mandal, Director, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

9. Rayavarapu Srinivasa Rao S/o Ramananda Rao, age 57 Years, Vysya by Caste, r/o Miriyam Vari Street, Vetapalem Village, Director, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

10. Pinjala Lokanadham, Director, The Vetapalem Co-Operative Credit Society Limited, Vetapalem.

5. And whereas, the Collector & District Magistrate, Prakasam District has further informed that, the accused A1 to A9 were arrested and produced them before the Hon'ble Court and now all they were sent to the District Jail, Ongole, whereas the accused A-10 demised on 02.07.2020. During interrogation, the accused confessed about their assets purchased with their share of cheated amount. In the said circumstances, the Vetapalem Co-Operative Credit Society Limited, Vetapalem is not in a position to return or refund the deposits to the public, who invested their hard-earned money in the society expecting to get the same with higher rate of interest, as it does not have sufficient funds either in the form of liquid, variable or fixed assets. There is every possibility of diversion of funds and other assets on the names of the kith and kin and benamies of the management of the society.

6. And whereas, the Collector & District Magistrate, Prakasam District has reported that, during further course of investigation, 05 immovable properties located at **1)** Survey No. 313/4 of Ramannapeta Panchayathi, Vetapalem Mandal, **2)** Survey No.547/1, Block No-27 of Solomon Centre Panchayathi, Chirala Municipal Limits, Chirala Mandal, **3)** Survey No. 197, Block No.10, D.No.10-60, Vetapalem Gramapanchayathi, Vetapalem village & Mandal, **4)** Plot No. 23N-Civic, Covered in Sy.No. 489/1,489/2,489/3 of Nayanipalli village, Challareddypalem Gram Panchyathi, Vetapalem Mandal and **5)** Plot No 28N-Civic, Covered in Sy.No. 489/1,489/2, 489/3 of Nayanipalli village, Challareddypalem Gram Panchyathi, Vetapalem Mandal are identified in the name of accused **A2** Valiveti Nageswararao. The details of these properties are mentioned in the **Annexure.**

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7. The Collector & District Magistrate, Prakasam District and the Competent Authority has therefore requested the Government to issue ad-interim orders for attachment of immovable properties as mentioned in the **Annexure** in respect of the Vetapalem Co-Operative Credit Society Limited, Vetapalem under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Act No.17 of 1999) duly authorizing him being the Competent Authority to file an application before the concerned Court to make the orders absolute;

8. The Government, after careful examination of the matter, hereby pass ad-interim order in exercise of the powers conferred under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act 1999, (Act No. 17 of 1999) for attachment of immovable properties in respect of the Vetapalem Co-Operative Credit Society Limited, Vetapalem, as mentioned in the **Annexure** to this order and also authorize the Collector & District Magistrate, Prakasam District and the Competent Authority, appointed in the G.O. first read above, so as to file an application before the concerned Court to make the orders absolute.

9. The Collector & District Magistrate, Prakasam District and the Competent Authority is requested to take necessary further action in the matter accordingly as per the provisions of the said Act and the rules made there under following due procedure and send compliance report to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

KUMAR VISHWAJEET
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Collector & District Magistrate, Prakasam District, Ongole (w.e)
Copy to:
The Director General of Police, Andhra Pradesh, Mangalagiri (w.e)
The Superintendent of Police, Prakasam District (w.e)
The Inspector of Police, Vetapalem Police Station, Prakasam District (w.e)
The P.S. to Principal Secretary, Home Department (w.e)
The Law (c) Department (w.e)
The Commissioner & Inspector General of Registration and Stamps, A.P., Vijayawada (w.e)
The Jt . Sub-Registrars of Chirala and Ammanabrolu, Prakasam District.(w.e)
SF/SC.

// FORWARDED:: BY ORDER //

SECTION OFFICER